

# **SUMMARY OF HOUSING PROGRAMS**

## **Administered by**

## **The Fitchburg Community Development Office**

(July, 2009)

Current housing programs being administered through the Community Development Office are the HOME Program and the Community Development Block Grant Program (CDBG). Summarized below, these programs provide funds for rehabilitation of owner occupied housing, first time homebuyer acquisition and rehabilitation, rental property rehabilitation and demolition.

Additionally, from time to time other State programs and funding opportunities may be offered depending on the availability of funds and the ability of the Community Development office to successfully obtain these resources. Please contact the Community Development Office for additional information.

## **HOME OWNER OCCUPIED REHABILITATION**

### **FOR OWNER OCCUPIED HOUSING**

### **HOME & CDBG**

This program is designed to assist qualified owner occupants of one to four family properties with their rehabilitation needs and is funded through two different programs, the HOME program and the Community Development Block Grant (CDBG) program.

#### **To Qualify:**

- Property owner and tenant(s) must earn less than 80% of area median income currently \$62,100 for a family of four.
- Properties must have significant rehabilitation needs.
- Properties must also be located within the Fitchburg Housing Strategy Area.
- Owner must agree to occupy property as a principal residence for the life of the mortgage.
- Rental units must meet affordability guidelines for the program.

- Certain properties may require restoration and consideration of historic architectural details.

#### **Assistance Provided:**

- Second mortgage rehabilitation loans at affordable financing terms. Rates range from zero to 3%. Some loan repayments may be deferred for a limited time.
- Rehabilitation counseling, work specification writing, supervision of bidding process, inspections of work in progress and final work approval.
- Full rehabilitation of property, from major building systems to cosmetic improvements. Completed properties must meet Federal Housing Quality Standards (HQS) including new de-leading regulations as well as State sanitary and building codes.

### **HOUSING OWNERSHIP OPPORTUNITY PROGRAM (HOOP)**

#### **FOR 1<sup>ST</sup> TIME BUYERS**

#### **HOME & CDBG**

This program, funded through both the CDBG program or the HOME Program and local participating banks provides income eligible first time homebuyers with an opportunity to purchase and rehabilitate their first home.

#### **To Qualify:**

- Property owner and tenant(s) must earn less than 80% of area median income currently \$59,200 for a family of four. (see current income chart attached).
- Property must be in need of rehabilitation equal to or greater than 20% of the purchase price.
- Owner must agree to occupy property as a principal residence for the life of the mortgage.
- Rental units must meet affordability guidelines of the program.
- Certain properties may require restoration and consideration of historic architectural details.

#### **Assistance Provided:**

- Counseling and assistance for first time homebuyers through the entire purchase and rehabilitation process, provided through the Twin Cities Community Development Corporation.

- Banks participating in the program provide eligible borrowers first mortgage financing at favorable rates and terms up to 80% of the after rehabilitation appraised value of property.
- Total benefits vary depending on location.
- Program provides 2% gift toward down payment or closing cost expenses.
- Program provides second mortgage financing for a percentage after rehabilitation appraised value.
- Program may also provide additional second mortgage financing, as needed, to reduce monthly mortgage payments to an affordable level for the first seven years of the mortgage.

## **PROJECT REJUVENATE FOR RENTAL HOUSING**

### **Rental Renovation Program**

### **CDBG**

This program provides incentive and financial support for the renovation, repair and rehabilitation of investor owner rental properties within the City of Fitchburg's Community Development Block Grant target area. In order to broaden the existing availability of affordable housing units within the city, priority consideration will be given to buildings that currently contain vacant housing units.

#### **To Qualify:**

- Owners must have a minimum of 10% cash equity in the property.
- Property must have adequate access to off street parking facilities.
- Property must have a reasonable yard or recreation area.
- Property owner must have a good management history.
- Repairs to the property must have a positive impact on the immediate neighborhood.
- Occupied properties must have a majority of units rented to low or moderate income families or individuals.
- Owners of vacant properties must agree to rent rehabilitated units to low or moderate income families or individuals.

#### **Required Repair Work:**

- Owners must agree to complete lead abatement for all units and common areas of the property.
- Properties must be brought into compliance with State Sanitary & Building Codes and HUD's Housing Quality Standards.
- Energy conservation measures must be instituted to reduce the energy demands of the building. Energy Star compliant appliances and ratings are encouraged.

- Exterior repairs are required to impact overall neighborhood improvement.
- Certain properties may require restoration and consideration of historic architectural details.

**Assistance Provided:**

- Qualified Owners may be eligible to receive up to 50% of the cost of rehabilitation work, provided the combined new debt on the building does not exceed 100% of the after rehabilitation appraised value.
- Owners will enter into a mortgage agreement with the City. Repayment terms will range from 10 to 30 years, with interest rates that will not exceed 3%.

Additional benefits and incentives may apply to properties located within the City's Urban Redevelopment District

## **DEMOLITION OF ABANDONED AND UNSAFE STRUCTURES**

### **HOME & CDBG**

This program uses Federal CDBG funding, other available State and City resources, to demolish and remove property that is abandoned, seriously damaged, or deteriorated beyond reasonable financial costs to effectively rehabilitate.

**To Qualify:**

- The target property must be significantly deteriorated and be in uninhabitable and unsafe condition, or the property must be extensively damaged by fire or natural disaster. The conditions existing create a serious risk to public health and safety.
- Property owner has failed to comply with repeated orders from the Fitchburg Board of Health or the Fitchburg Building Department to address sanitary and/or building code violations.
- Property owner has failed to respond to final order to rehabilitate or demolish property.
- Property must be judged to be in such condition as to warrant use of existing funding for demolition by members of the Mayor's Housing Task Force, which includes the following departments: Planning, Building, Health, Police, Fire, and Solicitor.

**Assistance Provided:**

- Property is demolished under the authority granted by Massachusetts General Laws, as ordered by either the Building or Health Department.
- Remaining lot is loamed and seeded and is appropriately secured for safety and to prevent misuse (i.e.; storage of junk automobiles).
- Lien is recorded against property for full cost of demolition in the Registry of Deeds.

Note: each of the above programs are designed to be operated at no direct cost to the City of Fitchburg. Expenses related to program administration, and related city services are paid through proceeds of the grant programs and not through local tax revenues.

FOR MORE INFORMATION ON ANY OF THE HOUSING PROGRAMS OFFERED THROUGH THE COMMUNITY DEVELOPMENT OFFICE, OR TO RECEIVE AN APPLICATION BY MAIL, PLEASE CALL (978) 345-1018.

TDD# (for the Hearing Impaired) IS (978) 345-9567.